

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 392 – HB 569

March 13, 2017

SUMMARY OF BILL: Prohibits a covered entity or a pharmacy benefits manager from directly or indirectly charging or holding a pharmacist or pharmacy responsible for any fee related to a claim that is not apparent at the time of claim processing, that is not reported on the remittance advice of an adjudicated claim, or after the initial claim is adjudicated, except in the case of Tenn. Code Ann. § 56-7-3103. Requires a pharmacy benefits manager (PBM) or auditing entity to register with the Department of Commerce and Insurance (DCI). Requires the DCI to make an application form available that includes certain information to be valid for two years. Authorizes the DCI to charge fees sufficient to fund the DCI's duties in relation to its responsibilities.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Based on information provided by the DCI, the proposed legislation can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The proposed legislation authorizes the DCI to charge fees to register PBMs.
- Currently, many PBMs register as third party administrators (TPAs) with the DCI.
- It is assumed that the loss of TPA fees would be offset by an increase in new fees and any increase in the DCI expenditures or revenue will be not significant.
- Based on information provided by the Department of Finance and Administration, Division of Health Care Finance and Administration and Division of Benefits Administration, the proposed legislation will not affect any policies or procedures of the Department; therefore, any fiscal impact is estimated to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

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Assumption:

- Covered entities and PBMs will not be able to charge additional fees; therefore, these entities will not receive any additional business revenue from fees. Pharmacists and pharmacies will not pay additional fees which will reduce business expenditures. The net impact to commerce is estimated to be not significant.
- The proposed legislation will not have any impact on jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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